Representative Gage Froerer proposes the following substitute bill:

1	BOND AUTHORIZATION AMENDMENTS
2	2018 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Wayne A. Harper
5	House Sponsor: Gage Froerer
6 7	LONG TITLE
8	General Description:
9	This bill modifies provisions relating to certain bond authorizations.
10	Highlighted Provisions:
11	This bill:
12	$\hat{H} \rightarrow$ [\rightarrow repeals the cap on the costs of issuance, capitalized interest, and debt service reserve
13	requirements for the prison project general obligation bonds;] $\leftarrow \hat{H}$
14	 amends language regarding the costs of issuance, capitalized interest, and debt
15	service reserve requirements for certain highway general obligation bonds;
16	 amends the bonding authority for certain bonds and specifies how certain bond
17	proceeds shall be used to provide funding for certain projects; and
18	makes technical changes.
19	Money Appropriated in this Bill:
20	None
21	Other Special Clauses:
22	None
23	Utah Code Sections Affected:
24	AMENDS:
25	63B-25-101, as last amended by Laws of Utah 2017, Chapter 89



26	63B-27-101, as enacted by Laws of Utah 2017, Chapter 436
27	63B-27-102, as enacted by Laws of Utah 2017, Chapter 436
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29	Be it enacted by the Legislature of the state of Utah:
30	Section 1. Section 63B-25-101 is amended to read:
31	63B-25-101. General obligation bonds for prison project Maximum amount
32	Use of proceeds.
33	(1) As used in this section:
34	(a) "Prison project" means the same as that term is defined in Section 63C-16-102.
35	(b) "Prison project fund" means the capital projects fund created in Subsection
36	63A-5-225(7).
37	(2) The commission may issue general obligation bonds as provided in this section.
38	(3) (a) The total amount of bonds to be issued under this section may not exceed
39	$\$570,000,000 \ \hat{H} \rightarrow \underline{\text{for acquisition and construction proceeds}} \leftarrow \hat{H}$, plus additional amounts
39a	necessary to pay costs of issuance, to pay capitalized
40	interest, and to fund any existing debt service reserve requirements $\hat{H} \rightarrow [f] \leftarrow \hat{H}$, with the total
40a	amount of
41	the bonds not to exceed \$575,700,000 $\hat{H} \rightarrow [\frac{1}{2}] \leftarrow \hat{H}$.
42	(b) The maturity of bonds issued under this section may not exceed 10 years.
43	(4) The commission shall ensure that proceeds from the issuance of bonds under this
44	section are deposited into the Prison Project Fund for use by the division to pay all or part of
45	the cost of the prison project, including:
46	(a) interest estimated to accrue on the bonds authorized in this section until the
47	completion of construction of the prison project, plus a period of 12 months after the end of
48	construction; and
49	(b) all related engineering, architectural, and legal fees.
50	(5) (a) The division may enter into agreements related to the prison project before the
51	receipt of proceeds of bonds issued under this section.
52	(b) The division shall make those expenditures from unexpended and unencumbered
53	building funds already appropriated to the Prison Project Fund.
54	(c) The division shall reimburse the Prison Project Fund upon receipt of the proceeds
55	of bonds issued under this chapter.
56	(d) The state intends to use proceeds of tax-exempt bonds to reimburse itself for

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- 57 expenditures for costs of the prison project.
 - (6) Before issuing bonds authorized under this section, the commission shall request and consider a recommendation from the Prison Development Commission, created in Section 63C-16-201, regarding the timing and amount of the issuance.
 - Section 2. Section **63B-27-101** is amended to read:
 - 63B-27-101. Highway bonds -- Maximum amount -- Use of proceeds for highway projects.
 - (1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued under this section may not exceed \$1,000,000,000 $\hat{H} \rightarrow \underline{\text{for acquisition and construction}}$ proceeds $\leftarrow \hat{H}$, plus additional amounts necessary to pay costs of issuance, to pay capitalized interest, and to fund any existing debt service reserve requirements $\hat{H} \rightarrow$, with the total amount of the bonds not to exceed \$1,010,000,000 $\leftarrow \hat{H}$.
 - (b) When the Department of Transportation certifies to the commission that the requirements of Subsection 72-2-124(5) have been met and certifies the amount of bond proceeds that the commission needs to provide funding for the projects described in Subsection (2) for the current or next fiscal year, the commission may issue and sell general obligation bonds in an amount equal to the certified amount, plus additional amounts necessary to pay costs of issuance, to pay capitalized interest, and to fund any existing debt service reserve requirements $\hat{H} \rightarrow$, not to exceed one percent of the certified amount $\leftarrow \hat{H}$.
 - (c) The commission may not issue general obligation bonds authorized under this section if the issuance of the general obligation bonds would result in the total current outstanding general obligation debt of the state exceeding 50% of the limitation described in the Utah Constitution, Article XIV, Section 1.
 - (2) Except as provided in [Subsection] Subsections (3) and (4), proceeds from the issuance of bonds shall be provided to the Department of Transportation to pay all or part of the costs of the following state highway construction or reconstruction projects:
 - (a) state and federal highways prioritized by the Transportation Commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304, giving priority consideration for projects with a regional significance or that support economic development within the state, including:
 - (i) projects that are prioritized but exceed available cash flow beyond the normal programming horizon; or

88 (ii) projects prioritized in the state highway construction program; and 89 (b) \$100,000,000 to be used by the Department of Transportation for transportation 90 improvements as prioritized by the Transportation Commission for projects that: 91 (i) have a significant economic development impact associated with recreation and 92 tourism within the state; and 93 (ii) address significant needs for congestion mitigation. (3) $\hat{H} \rightarrow [Nineteen]$ Thirty-nine $\leftarrow \hat{H}$ million dollars of the bond proceeds issued under this 94 94a section shall be 95 provided to the Transportation Infrastructure Loan Fund created by Section 72-2-202 to make 96 funds available for a transportation infrastructure loan or transportation infrastructure 97 assistance under Title 72. Chapter 2. Part 2. Transportation Infrastructure Loan Fund. Ĥ→ including the amounts $\leftarrow \hat{H}$ as 97a 98 follows: 99 (a) [\$10,000,000] \$14,000,000 to the military installation development authority 100 created in Section 63H-1-201; and 101 (b) \$5.000.000 for right-of-way acquisition and highway construction in [Davis 102 County; and Salt Lake County for roads in the northwest quadrant of Salt Lake City. [(c)] (4) (a) [\$4,000,000 for pedestrian access and crossings by] Four million dollars of 103 104 the bond proceeds issued under this section shall be used for a public transit fixed guideway 105 rail station [and] associated with or adjacent to an institution of higher education. 106 (b) Ten million dollars of the bond proceeds issued under this section shall be used by 107 the Department of Transportation for the design, engineering, construction, or reconstruction of underpasses under a state highway connecting a state park and a project area created by a 108 109 military installation development authority created in Section 63H-1-201. 110 $\left[\frac{4}{4}\right]$ (5) The bond proceeds issued under this section shall be provided to the 111 Department of Transportation. 112 $[\frac{5}{1}]$ (6) The costs under Subsection (2) may include the costs of studies necessary to 113 make transportation infrastructure improvements, the costs of acquiring land, interests in land, 114 and easements and rights-of-way, the costs of improving sites, and making all improvements necessary, incidental, or convenient to the facilities, and the costs of interest estimated to 115 116 accrue on these bonds during the period to be covered by construction of the projects plus a 117 period of six months after the end of the construction period, interest estimated to accrue on 118 any bond anticipation notes issued under the authority of this title, and all related engineering,

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119	architectural, and legal fees.
120	[(6)] <u>(7)</u> The commission or the state treasurer may make any statement of intent
121	relating to a reimbursement that is necessary or desirable to comply with federal tax law.
122	[(7)] (8) The Department of Transportation may enter into agreements related to the
123	projects described in Subsection (2) before the receipt of proceeds of bonds issued under this
124	section.
125	Section 3. Section 63B-27-102 is amended to read:
126	63B-27-102. Highway bonds Maximum amount Use of proceeds for Salt
127	Lake County highway projects.
128	(1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued
129	under this section may not exceed \$47,000,000 $\hat{H} \rightarrow \underline{\text{for acquisition and construction}}$
129a	proceeds $\leftarrow \hat{H}$, plus additional amounts necessary to pay costs
130	of issuance, to pay capitalized interest, and to fund any existing debt service reserve
131	requirements $\hat{H} \rightarrow$, with the total amount of the bonds not to exceed \$47,470,000 $\leftarrow \hat{H}$.
132	(b) When the Department of Transportation certifies to the commission the amount of
133	bond proceeds that the commission needs to provide funding for the projects described in
134	Subsection (2), the commission may issue and sell general obligation bonds in an amount equal
135	to the certified amount, plus additional amounts necessary to pay costs of issuance, to pay
136	capitalized interest, and to fund any existing debt service reserve requirements $\hat{H} \rightarrow$, not to exceed
136a	one percent of the certified amount $\leftarrow \hat{H}$.
137	(c) The commission may not issue general obligation bonds authorized under this
138	section if the issuance of the general obligation bonds would result in the total current
139	outstanding general obligation debt of the state exceeding 50% of the limitation described in
140	the Utah Constitution, Article XIV, Section 1.
141	(2) (a) Proceeds from the bonds issued under this section shall be provided to the
142	Department of Transportation to pay for or to provide funds to a municipality or county to pay
143	for the costs of right-of-way acquisition, construction, reconstruction, renovations, or
144	improvements to highways, transportation facilities, or multimodal transportation projects
145	described in Subsection (2)(b).
146	(b) Bond proceeds described under Subsection (2)(a) shall be used to pay for state and
147	local highway projects or transportation facilities or multimodal transportation projects
148	described in Subsection 72-2-121(4)(c) in Salt Lake County prioritized by the county.

(c) The costs under this Subsection (2) may include the costs of acquiring land,

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- interests in land, and easements and rights-of-way, the costs of improving sites, and making all improvements necessary, incidental, or convenient to the facilities, and the costs of interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, interest estimated to accrue on any bond anticipation notes issued under the authority of this title, and all related engineering, architectural, and legal fees.
- (3) The commission or the state treasurer may make any statement of intent relating to a reimbursement that is necessary or desirable to comply with federal tax law.
- (4) The Department of Transportation may enter into agreements related to the project before the receipt of proceeds of bonds issued under this chapter.